

For the first time in the history of the Harvard Youth Poll, more young Americans (ages 18–29) expect to be worse off financially than their parents (27 percent) than better off (25 percent). Nearly half (49 percent) say their personal finances have worsened since the current administration took office. Just 9 percent believe the country is headed in the right direction—matching a record low—while 69 percent feel more fearful than hopeful about America’s future. These are not abstract moods. They track closely with concrete financial strain: roughly 49–60 percent of young adults report struggling to make ends meet or getting by with limited security, depending on the survey.

Young Americans’ Financial Expectations vs. Their Parents

Worse off



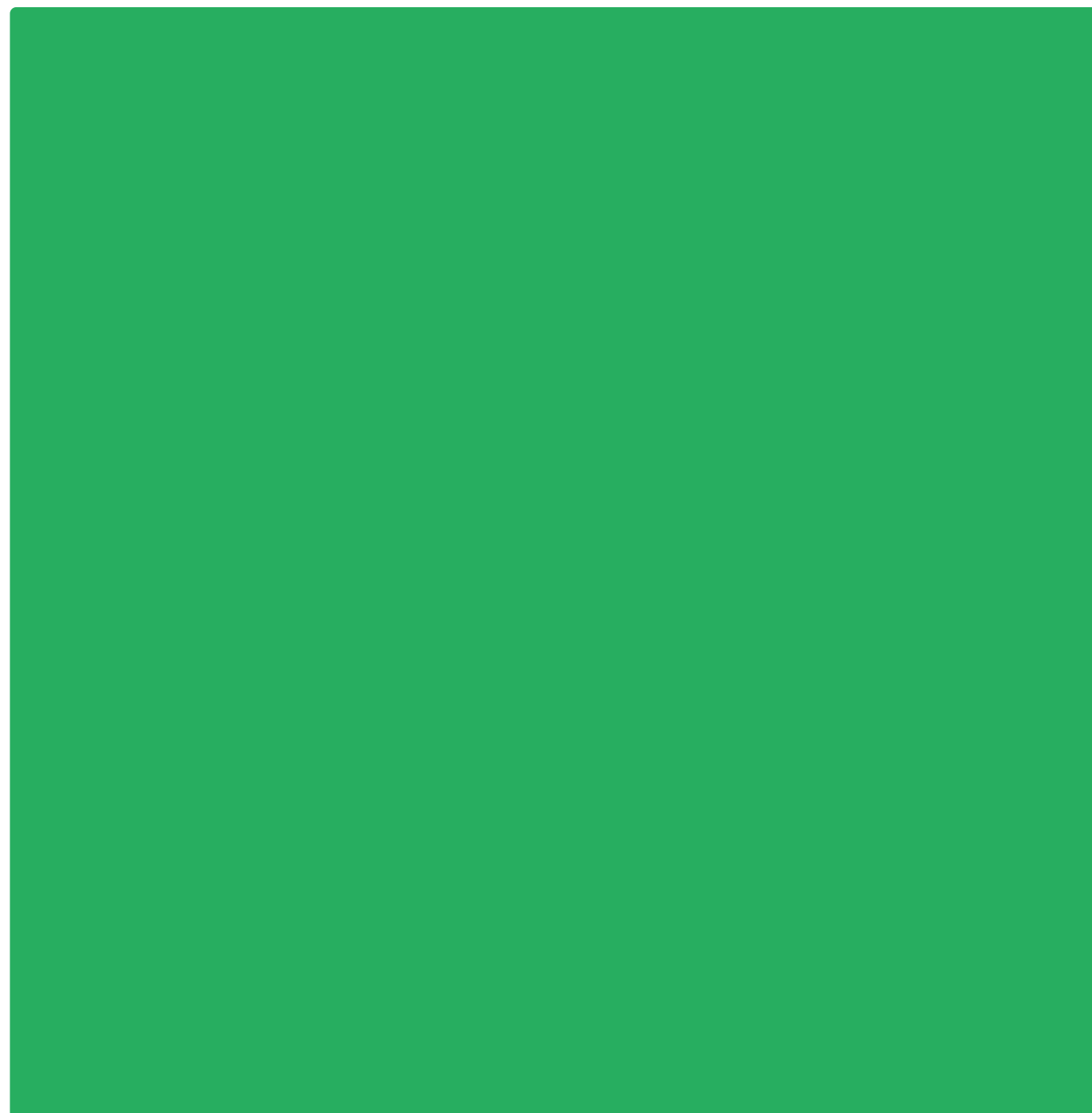
27%

About the same



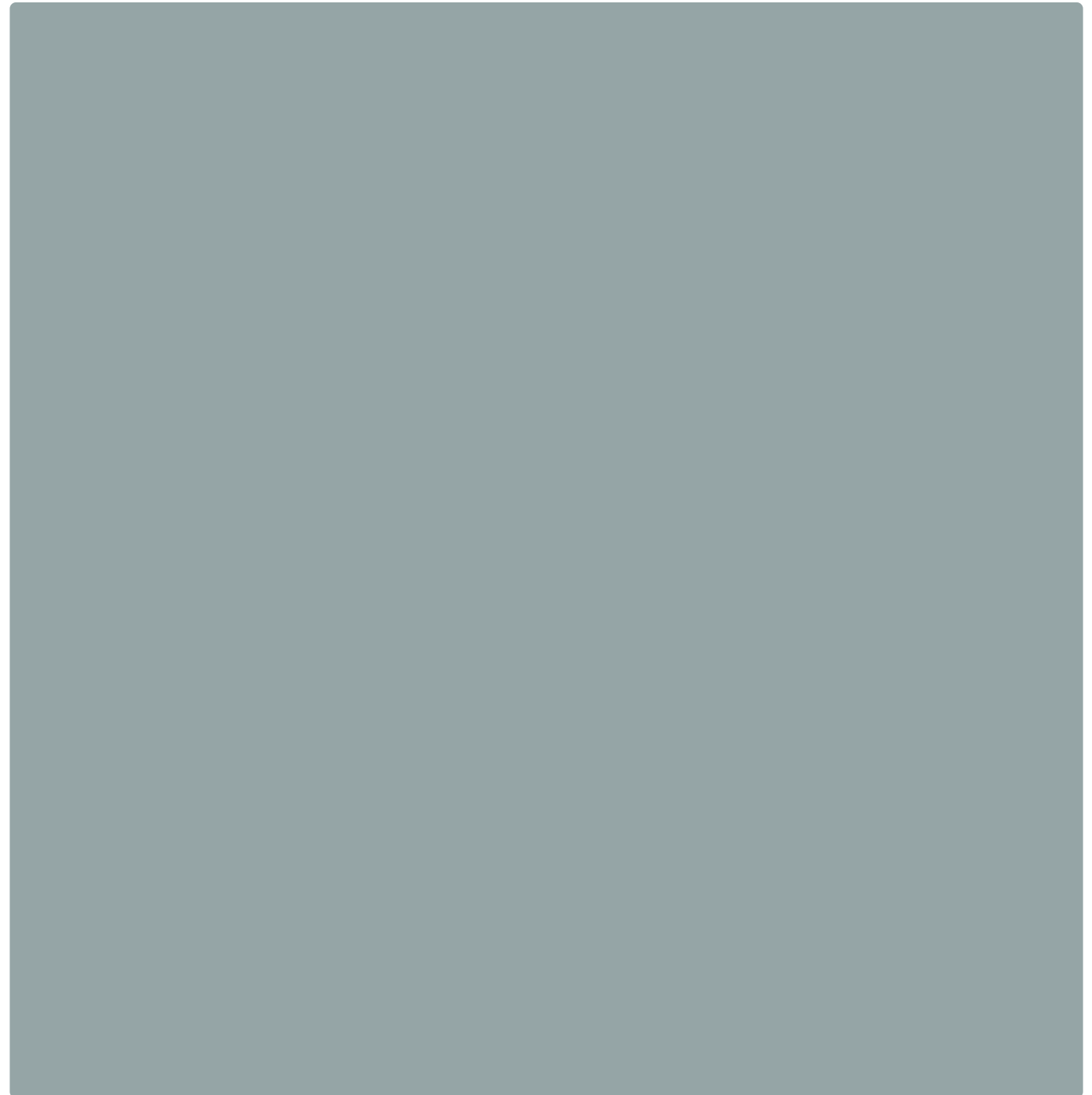
25%

Better off



25%

Unsure



19%

Source: Harvard Youth Poll, Fall 2026 (ages 18–29). First time “worse” exceeds “better.”

The data show a generation entering adulthood with elevated education levels and, on some measures, stronger real earnings and net worth than Millennials at the same age, yet facing a housing market and debt load that have rewritten the rules of economic mobility. The result is a politics of deep skepticism toward both parties and institutions.

The Debt and Cost Reality

Gen Z’s absolute debt balances remain lower than those of older generations simply because they have shorter credit histories. Experian data as of mid-2025 put average total consumer debt for Gen Z (roughly ages 18–28) at \$34,328, up 7.8 percent from the prior year—the largest increase of any generation. Among those with student loans (about 15 percent), the average balance was around \$21,670. Federal data and Education Data Initiative figures show younger borrowers (24 and under) holding average federal balances near \$13,800, while broader Gen Z cohorts carry medians in the mid-teens of thousands according to Credit Karma member data.

These numbers understate the pressure. Deloitte’s ConsumerSignals survey found the share of Gen Z adults carrying credit-card balances month-to-month rose nearly 20 percent between the third quarter of 2023 and the second quarter of 2026, even as every other generation reduced its share. Buy-now-pay-later usage also peaked highest among Gen Z. Money Management International reported a 31 percent year-over-year increase in Gen Z clients seeking debt counseling through September 2026, with average unsecured debt among those clients reaching \$20,200. Credit-card delinquency and open collections have edged up for the youngest borrowers even as some card balances stabilized.

Housing is the larger structural problem. Pew Research Center analysis of 2019–2024 data shows inflation-adjusted home values rose 30 percent while real incomes for households headed by adults under 40 rose only 9 percent. The price-to-income ratio for young buyers hit 3.5—levels last seen in the mid-2000s bubble. Modeled monthly payments on a median-priced home jumped roughly 64 percent over that period. A PNC Consumer Health Check found that the mortgage on a median-priced home now consumes about 65 percent of the median income of a 25- to 26-year-old, versus 39 percent for Millennials at the same age. Gen Z is no more likely to own a home than Millennials were at comparable ages and is just as likely to live with parents, despite higher real earnings in some comparisons.

Mortgage Payment as % of Median Income (Age 25–26)

Millennials (then)



39%

Gen Z (now)



65%

Source: PNC Consumer Health Check, October 2026. Mortgage on a median-priced home vs. median income for 25- to 26-year-olds.

CIRCLE (Tufts) surveys of 18- to 29-year-olds consistently find that nearly 60 percent sometimes or often have trouble meeting basic financial needs. Cost of living, housing, and healthcare dominate their issue priorities across partisan lines. Student-loan delinquency rates for Gen Z sit near those of Millennials (around 9–10 percent in recent Credit Karma data), and non-deferred monthly payments for the youngest borrowers have risen faster than for older cohorts even if absolute payments remain lower.

Relative Gains, Absolute Strain

Some analyses complicate the pure “broke” narrative. PNC and other comparisons indicate Gen Z has earned roughly 20–30 percent more in real terms than Millennials at the same age in certain cohorts, entered a tighter labor market at times, and accumulated higher net worth and retirement savings earlier. Unemployment for young workers has often been lower. Yet these gains have been swamped, for many, by housing inflation, elevated interest rates, the resumption of student-loan payments, and the concentration of costs in necessities. Real wage growth has not kept pace with cumulative price increases since 2019 in ways that restore the affordability older generations experienced. The result is higher absolute incomes paired with lower perceived security and slower wealth-building through homeownership—the primary path to middle-class equity for previous cohorts.

From Pocketbook Pressure to Political Withdrawal

The political consequences are measurable. The Spring 2026 Harvard Youth Poll recorded trust in the federal government among 18- to 29-year-olds at a record-low 15 percent. Half

said people like them have no real say in what government does—a figure that cut across party lines even with Republican control of the White House and Congress. Sixty-eight percent said elected officials are motivated primarily by selfish reasons. By the Fall 2026 poll, only about one-third of young Americans expressed trust that the midterms would be conducted fairly and accurately. Cost of living ranked as the top midterm priority (91 percent calling it important), with government corruption a close second (88 percent).

CIRCLE's large 2026 surveys (with When We All Vote) found 43 percent of 18- to 29-year-olds identifying as neither Democrat nor Republican. Young independents were especially likely to be struggling financially (69 percent) and less likely to say they would vote. Across the broader youth sample, those reporting financial hardship were less likely to believe their vote matters and less likely to turn out. Public Agenda research shows roughly 70 percent of Gen Z believe politicians do not care what people like them think, and majorities in both parties feel underrepresented by their own party's congressional leadership relative to older voters.

This is not a simple leftward or rightward shift. Gen Z voters moved toward Republicans in 2024 relative to 2020, yet subsequent economic dissatisfaction has been broad. Fall 2026 Harvard data showed 77 percent of young Americans disapproving of the president's handling of the economy, including nearly half of young Republicans. Among likely young voters, opposition to the president was a dominant stated motivation for midterm preferences, but overall "definitely will vote" intention among 18- to 29-year-olds sat at 33 percent—down from 40 percent in recent midterms. Struggling households leaned heavily Democratic among those who planned to vote, while large shares of independents and the financially insecure simply planned to stay home.

Gallup and Pew data show the broader backdrop: overall American trust in the federal government and satisfaction with how democracy is working sit near multi-decade lows (around 69 percent of U.S. adults dissatisfied with democracy in recent Pew international comparisons). Young people simply register the most acute version of a longer-term erosion.

The Mechanism and the Stakes

Research from CIRCLE and others links material insecurity directly to lower political efficacy. When basic costs consume an outsized share of income and the primary historical vehicle for wealth accumulation (homeownership) is out of reach for most without family help, the claim that ordinary political participation improves one's life becomes harder to sustain. Student debt and credit burdens add a constant background tax on early-career earnings. High interest rates and restricted housing supply amplify the problem without clear short-term political solutions that either party has delivered.

The pattern is not unique to the United States, but the American combination of high tertiary-education costs, limited social housing, and a two-party system that has delivered elevated prices and debt for more than a decade has produced a particularly sharp generational disconnect. Gen Z is on track to be the most educated generation, yet large shares question whether the system can deliver the stability their parents or grandparents experienced. The Fall 2026 Harvard data showing more young people expecting downward mobility than upward mobility is the clearest statistical marker of that break.

For the 2026 midterms and beyond, the practical implication is a volatile, low-efficacy youth electorate that prioritizes pocketbook issues and corruption over party brands, but that is also prone to lower turnout when neither side appears to address housing supply, entry-level wages relative to costs, or debt burdens in a durable way. Restoring some measure of economic mobility—through increased housing construction, more targeted debt relief or repayment reform, and wage growth that outpaces shelter costs—would do more to rebuild institutional confidence than rhetorical appeals to democracy. Absent that, the data suggest continued generational detachment from conventional politics, with consequences for turnout, party coalitions, and the legitimacy of institutions that have already fallen to record lows of trust among the young.